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McManus Legislation Addresses P.I.L.T. Payments

(LANSING) – State Senator Michelle McManus, R-Lake Leelanau, this week introduced legislation that seeks to change the manner in which the Department of Natural Resources (DNR) addresses Payments in Lieu of Taxes (PILT).

"This legislation is necessary to ensure that local unites of government receive their tax payments on time and in a proper fashion to accommodate their operating budgets," McManus, chair of the Senate DNR Appropriations Subcommittee. "We are making sure that these local governments are guaranteed payments by the state for the land it owns."

Currently, the DNR remits tax payments on purchased lands to each local unit of government based upon local assessments, including locally approved millages. Senate Bill 521, introduced by Senator McManus, seeks to make the following changes:

- Freeze all PILT obligations at their current level,
- Freeze all future land purchases at their purchase rate where PILT is concerned,
- No new millages may be adopted for PILT lands, however existing millage and bond issues will continue but will not be renewed,
- Allow local townships and counties to forgive the tax obligation of the DNR in future land sale negotiations,
- Remove the DNR lands from paying the state education tax,
- Require the DNR to pay the tax obligations before any other expenditure, and
- Streamline the collection system for these taxes to allow for one annual bill per county for all state land with a tax obligation within its boundaries.

Senate Bill 521 awaits consideration from the Senate Appropriations Committee.